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June 5, 1970

STATEMENT OF THE GREATER BALTIMORE COMMITTEE; PRESENTED TO
THE COMMISSION TO STUDY THE STATE'S ROLE IN FINANCING
PUBLIC EDUCATION

by: William Boucher, III, Executive Director
Greater Baltimore Committee

Sen. Hughes and Members of the Commission:

The Greater Baltimore Committee appreciates the opportunity to present its views on the subject of your study and commends the Governor and each of you for undertaking such a necessary and timely investigation.

As most of you know, the Greater Baltimore Committee, representing the business community leadership in the Baltimore Metropolitan Area, has been actively involved over the last fifteen years in seeking solutions to major regional problems. In this connection, we have worked closely with local and State government in such matters of mutual concern as transportation, regional planning, port development, air service and tax reform.

In recent years, the Committee has become increasingly concerned about the quality of public education in Maryland and particularly in the urban areas with which we are most familiar. Beyond sharing the general recognition that quality public education is fundamental to the welfare of all citizens, the business community feels that it has a special interest in the calibre of young people coming out of our school systems.

Regional and State prosperity depends on an educated, skilled work force and an economically viable consumer market. While State Government is responsible by law for the provision of quality education and equal educational opportunity, private enterprise is not without its express obligation to help government be effective, responsive and creative. It is for these reasons that the Greater Baltimore Committee is participating with the Citizens' Commission on Maryland Government in studying the State's responsibility in these areas.

You are already aware, from the statement of George Wills, Citizen Commission Chairman, and from the inclusion of a preliminary proposal in the background information manual prepared by Dr. Cooper, that we propose to enlarge upon and complement the scope of your inquiry. We believe that development of: 1) new measures of educational need, 2) new programs to meet those needs, and 3) Methods of evaluating the effectiveness of those educational programs should accompany any effort to increase and re-allocation State resources for public education.

In addition, the business community believes that new methods of financial planning and management should accompany other reforms to insure the maximum productivity of dollars spent for education. This will also be an integral part of the Citizen Commission's study.

With regard to your investigation, the Greater Baltimore Committee is satisfied that the ability of many local jurisdictions to finance the increasing costs of education--and at the same time meet other local governmental responsibilities--is inadequate. This is overwhelmingly the case in urban areas of Baltimore with which we are most familiar.

The problem is only compounded by the present dependency of our educational systems on widely disparate and regressive property taxes.

At the same time, it is clear that the State's equalization formula is a failure, both in terms of its actual effect and the State's legal requirement to provide equal educational opportunity.

Therefore, while we are not prepared at this time to suggest or endorse any particular revision of the present systems, we do feel that the shrinking resources of the local subdivisions, the insufficiency and inequity of the State's equalization formula, and the State's primary legal responsibility for quality education and equality of educational opportunity all combine to make your investigation an urgent one. Along with the Citizens' Commission, we hope to be of assistance to you as you proceed.

MILTON S. EISENHOWER

4545 NORTH CHARLES STREET
BALTIMORE, MARYLAND 21210

PRESIDENT EMERITUS
THE JOHNS HOPKINS UNIVERSITY

January 6, 1970

Dear George:

I have just read your letter of December 24th and have glanced at the attachment which seems to argue for a State-supported system of public education. My desk is piled to the ceiling with correspondence which I must handle before I leave for San Francisco a week hence. I just cannot analyze carefully the document you sent me. I therefore wonder if you could come by my house late some afternoon, say at five, or after dinner, so that I may learn directly from you what the major issues are about Maryland public education.

Offhand, I must say that I do not like the idea of a wholly State-financed system. Neither would I like a wholly Federally-financed system. Elementary and secondary education are properly local responsibilities and the local people should be conscious of paying a good share of the bill. A State equalization fund would be quite a different matter.

On January 30th I am to meet in Senator Percy's office with university students from Illinois. At 12 noon I have agreed to meet with the White House Fellows. I'd like to chat with you about this, too. So do come by my house when you can.

Sincerely,

A handwritten signature in black ink, appearing to read "Milton Eisenhower". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Mr. George S. Wills
7914 Sherwood Avenue
Baltimore, Maryland 21204

PROPOSAL FOR A STUDY OF
SCHOOL FINANCE IN MARYLAND

The Citizens' Commission on Maryland Government and the Greater Baltimore Committee are jointly seeking foundation support for a study of public education financing in Maryland to accomplish the following objectives:

- 1) Evaluate the ability of Maryland's present education funding pattern to achieve its stated goals:
 - a. Equal educational opportunity
 - b. Quality education

- 2) Formulate alternative funding methods to increase the State's ability to meet its responsibility for achieving those goals through:
 - a. State assumption of the responsibility for equal educational opportunity;
 - b. Disbursement of funds on the basis of individual student educational need;
 - c. Greater accountability of the education system to local and State government through performance evaluation;
 - d. Greater equity of tax payer burden.

- 3) Design informational inquiry systems which will provide program evaluation data for alternative school finance distribution methods.

- 4) Suggest guidelines to encourage improved educational productivity under new funding systems.

PART I: SCHOOL FINANCE AND THE
EDUCATIONAL CRISIS IN MARYLAND

Public schools in Maryland, as in most other states throughout the nation, are faced with a financial crisis:

- 1) Every subdivision has reached, or is rapidly reaching, the limit of its ability to raise revenues to fund for education.
- 2) Problems of expenditures disparities among districts are acute, and are growing larger.
- 3) The quality of school service is questionable, especially in relation to the amount of money spent.

These problems are caused, at least in part, by reluctance on the part of the State to meet its responsibilities in finance and performance accountability.

The goal of Maryland's equalization formula is to hold the wealth of the State responsible for the education of the children of the State, regardless of who has the wealth and who has the children. In practice, however, the level of State support has decreased. The chart below indicates the disparity between the State's basic support system and the Average Per Pupil Expenditure:

	<u>Per Pupil Cost Used in State Aid Formula</u>	<u>Actual Average Per Pupil Cost</u>	<u>Difference Between Formula and Actual</u>	<u>Difference As Percent of Actual</u>
1964	\$236	\$419	\$183	43.7%
1965	340	443	103	23.3%
1966	340	494	154	31.2%
1967	340	563	223	39.6%
1968	370	628	258	41.1%
1969	370	668	298	44.6%

(Source: Dr. Paul Cooper's report to the
Legislative Council, Maryland)

The burden on local governments to meet rising costs in excess of the equalization base is a major factor creating this inequity. Using the real property value plus taxable income, Maryland's wealthiest community has \$28,502 of taxable wealth (real property plus personal income) behind each pupil, while the poorest county has only \$10,007. Under the formula now in use, the wealthiest county has only to expend one-third the tax effort of the poorest county in order to gain an additional \$1.00 per pupil in education funds.

Differences between counties spending the least and those spending the most have grown wider each year. Contributing factors are: sharp rise in school costs, inability of the equalization formula to be applied on a need basis, and the regressive nature of the real property tax aggravated by the further regressiveness of school costs. From 1964 to 1969, the difference between the county spending the most per pupil and the county spending the least rose from \$164 to \$335.

Average Per Pupil Expenditure By District

	<u>Highest</u>	<u>Lowest</u>	<u>Difference</u>	<u>Difference as % of Lowest District</u>
1964	\$540	\$376	\$164	43.6%
1965	576	409	167	40.8
1966	649	444	205	46.2
1967	694	479	215	44.9
1968	782	529	253	47.8
1969	876	541	335	62.0

(Source: Dr. Paul Cooper's report to the Legislative Council, Maryland.)

The growing disparity between districts and reliance on the property tax for funding education tends to perpetuate the spiral of unequal educational opportunity.

Given the present state of knowledge regarding the educational process, it is questionable that each additional dollar indeed equates with an additional increment in school service quality or student achievement. Nevertheless, it can be asserted with confidence that a \$335 per pupil discrepancy will be reflected in differences of educational opportunity.

Differences in per pupil expenditure do not, in and of themselves, indicate inequality of educational opportunity. One can conceive of a number of conditions under which differential expenditures and levels of service would constitute wise public policy. For example, the provision of services to physically or mentally handicapped children or remedial instruction for academically retarded students might well constitute a basis for unequal expenditures. In fact, true equality of educational opportunity depends upon differential rates of expenditures for varying differences in educational need. At present, however, there does not appear to be any such rational basis underlying the disparity in distribution of school funds in Maryland. On the contrary, it is our contention that not only are school dollars distributed in a fashion which is educationally irrational, but also the likelihood is great that they are distributed in a fashion which at least socially, and perhaps legally, is unjust.

Lack of Evaluation and Educational Productivity

Another major aspect of the financial crisis in education is not so clearly a simple matter of dollars and cents. Because of the nature of the educational process, it is necessary to measure progress in non-dollar terms. It is believed, however, that these non-dollar measures must be related to the means used in generating resources for funding

of education, in the allocation of those resources, and the management of their use.

At present there is little effort to define the relationships among the distribution and management of resources and measures of educational outcomes. In a recent report to the National Urban Affairs Council, Professor James Kelly of Columbia University noted that:

One striking characteristic of local and state arrangements for financing schools is the lack of any accountability mechanism. State aid flows to local districts whether or not previous aid was well spent; this year's educational programs automatically become next year's programs, and almost never are school personnel -- insulated from healthy criticism by tenure and automatic salary raises -- held accountable by local school boards for their pupils' gains or losses in achievement.

Delivery of quality education is a State responsibility, regardless of the level of financial support locally. The Citizens' Commission defines quality as accomplishment of the schools' aims at a high level and in an efficient manner. Equal educational opportunity should then result in equally effective schools as the education product the State expects from its dollars spent. Effectiveness and efficiency are growing in importance as standards for all local and state governments. Accountability is the umbrella under which these standards can best be evaluated. Despite this thrust, Maryland's State government has established no method for evaluation of the effectiveness or efficiency of their tax dollars spent for education.

This lack of accountability militates against the overall improvement in equality of educational opportunity and increased educational quality. Efforts must be undertaken to relate measures (qualitative and quantitative) of output

and productivity to the financial inputs of the education system. The Commission proposes to begin development of such accountability mechanisms. Accomplishment of the State's aim of providing the basic skills of citizenship along with other State and local goals would then be measured through a Statewide performance system. The processes are to be determined by the county-wide systems to assure development of State and local goals. Organization and management of the schools at the local level to make best use of resources to achieve the desired results requires information gathering on the educational processes and the results at all levels of the school system. Accountability and productivity evaluation thus will be enhanced also by the application of improved management tools to new methods of funding.

BENEFITS OF CONDUCTING THE PROPOSED STUDY IN MARYLAND

Maryland provides an advantageous climate for the study of public school finance arrangements for several reasons, including the following:

- 1) The State is sufficiently compact to permit manageable data collection and analysis, as well as the thorough review and testing of alternative funding models.
- 2) Maryland provides an excellent opportunity for testing new funding models without the complications of redistricting. In several other states, including New Jersey and Michigan, new school financing plans have been predicated largely on the consolidation and reorganization of numerous school districts. Maryland's 24 school districts already are incorporated within the political boundaries and taxing structures of its counties. Thus a school finance study in Maryland can begin several steps ahead of many other states. New systems can be examined and tested devoid of many of the complexities involved in school district reorganization.

- 3) A high level of citizen concern and government awareness of the need for change exists. Governor Marvin Mandel has appointed a seventeen-member Commission to Study the State's Role in Financing Public Education. Although limited in its charge and time of operation, this Commission provides a vehicle for cooperation with State and local government leaders, and a valuable public forum for consideration and discussion of alternative approaches to funding education. The Citizens' Commission on Maryland Government believes that the study suggested in this proposal will make a substantial contribution to the results of the Governor's Commission.

PROPOSED STUDY APPROACH

Involvement of the Citizens' Commission and the Greater Baltimore Committee, review by a Statewide Advisory Committee, and maximum input by Maryland residents will assist the research team in obtaining a realistic picture of Maryland's current situation, and in evaluating the applicability and impact of various funding systems in Maryland.

Throughout the study efforts will be made to confer with and gather information from key individuals in Maryland, including representatives of the education systems, State and local governments, professional education associations, community leaders, etc.

A small national advisory panel of specialists in the fields of education finance and performance evaluation will review the work of the project reserachers as it develops.

The results of the research outlined in the following section will be released to the public as an objective statement of findings. The Citizens' Commission

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and research director will attempt to answer questions and provide information regarding the study results to the public.

Details of the work plan for the proposed study are included in the following section of the proposal.

PART II: STUDY PLAN

I. PRESENT ALLOCATION PATTERNS

The purpose of this research component will be to test the ability of the present school finance arrangements to fulfill their goal of equalizing educational opportunity. Research will proceed along the following lines:

- A. Definition of the current roles and responsibilities of the State, City, and county governments and State and local boards of education in establishing and maintaining equal educational opportunity. Research will include the examination of:
 1. Current law, including the State Constitution and recent court decisions.
 2. Funding patterns produced by present State and local formulas, contracts, and other constraints and guidelines that affect the level of educational expenditures and the use of those funds.
 3. Policy statements, administrative regulations, by-laws, and other materials issued by the State Board of Education that affect educational funding.

A candid statement will be prepared of the current posture of the Maryland educational system as regards:

1. Current funding and distribution concepts and methods in relation to equality of educational opportunity.
2. Current status of policies and practices that govern the effectiveness and efficiency of the State's educational processes.
3. Current status of the implementation of methods for

evaluating educational performance and maintaining accountability.

- B. Analysis of the actual flow of school funds will be conducted at two levels: interdistrict and intradistrict. In each instance an assessment will be made of the flow of school funds in relation to relevant indicators such as social and economic status, race, geographic location (urban, suburban, rural), and school district characteristics (e.g. enrollment size, population density, and growth). It is with analyses such as these that we will test the ability of present school finance arrangements to distribute funds in a manner which will achieve equality in educational opportunity.

II. ASSESSMENT OF SCHOOL SERVICES AND PERFORMANCE

It is difficult to assert that low school service is the simple or primary determinant of low levels of student performance. At the same time, however, it is difficult to argue that it is wise or just public policy to tolerate the lowest levels of school service quality to exist in the same areas where pupil achievement is lowest. However, if our thesis is valid, that is exactly the policy presently being pursued. We suspect strongly that in those districts currently characterized by low expenditure levels we will find that measures of school service quality and student performance will also be low.

An assessment of the relationship of school service quality to student performance will be made on two levels: interdistrict and intradistrict.

Measures of the quality of school service inputs will include indicators such as staffing ratios, staff turn-

over, obsolete buildings, existence of libraries, and science laboratories.

Measures of school performance will include indicators such as achievement scores in reading and mathematics, percent of college admissions, percent of admissions to all post high school training and educational institutions, percent of job placements, drop-out rates, vandalism, incidents of physical violence, and absenteeism.

III. DEVELOPMENT OF ALTERNATIVE FUNDING METHODS

This section will include development of alternative funding mechanisms which assume greater State responsibility for school finance and performance accountability. Supportive of the funding mechanisms will be the design of a Statewide information system, and the formulation of suggested guidelines to encourage greater financial efficiency and effectiveness.

A. Funding Mechanisms - The first category of inquiry in this section will involve the construction of alternative school finance arrangements based on the State's role of providing equality of educational opportunity. While full funding by the State will be a factor of one alternative, other formulas generated will also involve arrangements more in keeping with the educational needs of the children served. It is anticipated that the proposed new formulas will include criteria such as the following:

1. Disbursement of funds on the basis of measures of individual students' educational needs;
2. Encouragement of the effective use of funds through increased performance evaluation and accountability;

3. Greater equity of burden upon the tax payer.

Fiscal mechanisms will include analysis of factors such as:

1. Distribution formula based on need

Distribution formulas related to each of the "test" alternatives will contain measures of educational performance and equity reflecting the needs of the student population to be served. Indicators related to matters such as reading performance and socio-economic background will be considered in compiling formulas to be tested.

2. Productivity evaluation and accountability

Any proposed distribution formula based upon a consideration of educational need requires an accompanying method for reviewing performance under the formula. Criteria and methods for evaluating effective and efficient educational performance will be included, as well as alternative forms of reporting and evaluating the use of school funds.

3. Consideration of intradistrict fund distribution

Each model will be sensitive to its likely effects upon the allocation of funds by a local district among its member schools, and to the possibilities for inequity that may result. Tests of fiscal mechanisms will include attention to alternative ways of handling this critical aspect.

4. Long-range implications

Through the use of demographic and economic analysis, the consequences of each mechanism will be prepared for five and ten years.

5. Prospective sources of State funding

This element is a primary focus of the Governor's Commission to Study the State's Role in Financing

Public Education, and this proposed study will be influenced by the findings of that Commission. Nevertheless, in order to simulate the effects of alternative solutions, it will be necessary at least to state clear assumptions about the funding sources and their implications upon the goals of equal educational opportunity and equity of burden upon the tax payer.

6. Implications of Federal Aid to Education

The consequences of present Federal aid to education, both categorical and general, in application to local school needs, will be worked into the fiscal alternatives, as will the likely effects of various changes, including the impacted area program, ESEA, revenue-sharing, and other devices under consideration.

7. Structural changes in the administration of public education

It is inescapable that changes in the funding of public education, in order to relieve severe financial pressures and to achieve equal educational opportunity, may suggest changes in the relationship of local school districts to the State. Questions of accountability, the appropriate distribution of educational functions between that State and local districts, the effects of increased State support upon local control of education, and other aspects will be considered in the testing of alternatives. Of special interest is the accountability of local teachers and administrators to their school board and to the State.

8. Other implications

The different fiscal mechanisms also will seek to reflect alternative ways of handling the existence of collective bargaining agreements between school districts and their employees, the possible role of

a special State fund to stimulate innovation, and other administrative relationships affecting the distribution of funds and the achievement of equal educational opportunity. Some of these implications will only be revealed as the work of the study proceeds.

B. Statewide Information System

In addition to creating new school finance formulas, we anticipate the designing of models for a Statewide educational information system which will allow systematic assessment of school district, school, and pupil performance. Such assessment should result in information which could serve as feedback in the school finance distribution process.

C. Guidelines for Management Improvement

Alternative funding formulas which are based on educational needs and require performance evaluation will also benefit from improved financial management tools. Therefore, guidelines for the use of such management tools as Planning, Programming, Budgeting systems, long-term planning and development programs, and the like, will be developed.

RESEARCH TIME SCHEDULE

<u>TASK</u>	<u>TIME PERIOD</u>
<u>Research Design, Organization, and Planning</u>	Nov. 15 - Dec. 15, 1970
<u>Data Collection, Interviews, Etc.</u>	Dec. 1 - April 1, 1971
Nature of Data:	
<ul style="list-style-type: none"> a. Fiscal b. Achievement c. Descriptive (nature, composition, organization of school districts, etc.) 	
Purpose of Data:	
<ul style="list-style-type: none"> a. Development and testing of fiscal mechanisms b. Development of information system and accountability mechanisms c. Evaluation of feasibility of alternative fiscal mechanisms 	
<u>Analysis of Data and Collection of New Data Where Necessary</u>	Jan. 15 - April 30, 1971
Development of:	
<ul style="list-style-type: none"> a. Finance mechanisms b. Definition of "need" c. Accountability and information systems d. Management guidelines and recommendations 	
<u>Report Preparation, Drafting, and Revisions</u>	March 1 - May 30, 1971
<u>Typing, Editing, Review, and Duplication of Report</u>	May 1 - June 30, 1971

At appropriate times, public hearings will be conducted as part of the basic information gathering process, to assist in providing a clear picture of Maryland's particular situation.

During critical points in the research and development of the report, meetings of the national advisory panel will be held to assist the research director in review and analysis.

CITIZENS COMMISSION ON MARYLAND GOVERNMENT

EXECUTIVE COMMITTEE MEETING

MARCH 19, 1971

MINUTES OF THE MEETING

The meeting was called to order by George Wills, Chairman, at 3:34 p.m. The following Executive Committee members were present: Rev. Vernon Dobson, Martin Greenfeld, Dr. Fred Ramsay, Joseph Raymond, Mrs. Pearson Sunderland, Jr., Dr. Eugene Smoley; Mrs. Charlotte Stanka represented Sen. John C. Byrnes. Also present were Eugene Petty, Associate Executive Director, Greater Baltimore Committee, Dr. Anthony M. Cresswell, Research Director, Mrs. Shelly Weinstein, Project Coordinator, Mrs. Janis Riker, Executive Director, and Mrs. Dorothy Hejl, CCMG secretary.

Report on Legislative Activities in Education

Mr. Wills reviewed the Legislative scene in Annapolis regarding education, concentrating on the aid to non-public schools bill and the school construction package. Mr. Wills stated that he believed the Legislature would pass the aid to non-public schools program in this session, and that the Governor and Legislature were anxious not to have it return as an issue in the 1972 Legislative session. The voucher aspect of the non-public school aid plan seemed to be receiving a favorable response from the Legislature. In regard to the Kraushaar Commission, Mr. Wills reported that the CCMG staff covered the public hearings, and reviewed the Commission's report and findings. Many people have been concerned about the apparent lack of adequate statistical evidence to support the Kraushaar Commission recommendations and findings. This has hampered the Commission in its report, and has created some difficulty in gathering support for its recommendation.

Mr. Wills discussed the major question concerning the school construction package before the Legislature (the proposal for the State to assume the cost of all new school construction, and the cost of debt service prior to 1967). Dr. Sensenbaugh, State Superintendent of Schools, and other educators in Maryland have been concerned over the amount of local control which would be retained if the program were implemented. The present proposal calls for the Board of Public Works to approve all plans for school construction. Educators are opposed to this decision being taken out of the hands of the departments of education, and the fear that uniformity in construction may be the result. Mr. Wills pointed out that the current debate over this question is evidence of a lack of sufficient pre-planning, and advance work with the State Department of Education in preparing the legislation.

Mr. Wills mentioned the bill before the Legislature which provides for the election of the Baltimore County school board, subject to referendum. Mr. Wills believed that the bill would pass, and commented that the provision for local referendum was a favorable step in relation to CCMG's work.

The position of CCMG in regard to legislation currently before the General Assembly was discussed, particularly in relation to the aid to non-public schools bill. Mr. Wills pointed out several factors involved in the Commission taking any position on legislation: 1.) Possibility of dissipating present staff efforts; 2.) Danger of siphoning efforts from the report; 3.) Questionable degree of influence the Commission could have on education matters at present, prior to the completion and release of the study report. The members present concurred that CCMG should not get directly involved in any current Legislative activity.

Plans for CCMG Public Hearings

Mrs. Riker reviewed the initial plans regarding public hearings for CCMG's education study. Several purposes for the hearings were pointed out, including: 1.) Gathering of information and points of view of a wide cross section of the public, educators, and government officials; 2.) Imparting information by CCMG to the public concerning the study and some of its findings; 3.) Assisting CCMG in evaluating its own recommendations and proposals in light of public opinion and feasibility; 4.) Providing an opportunity for CCMG to try out some of its ideas and approaches before actually incorporating them in the report.

Three hearings were suggested, during the period April 19 - May 15, 1971, in Baltimore City, Annapolis, and Montgomery County. It was also suggested that hearings be held at night to encourage the public to attend and testify. Mrs. Riker mentioned several potential sources for testimony, including State and local government officials, teachers and education administrators, representatives from such organizations as the Human Relations Commission, teachers' organizations and unions, professional education associations, parent-teacher associations, and community groups, and key individuals.

Suggested procedures for the hearings themselves included the submission of written testimony, with the testimony time itself reserved for a brief verbal summary and questions from CCMG members and staff. An open agenda was proposed, but with the focus on education finance and other questions directly related to the Commission's research.

The hearings will be announced and publicized through the major and local newspapers, announcements on radio and television, printed brochures, and letters to particular individuals and groups. Mrs. Sunderland suggested that in any public announcements of the hearings, the agenda and key issues for focus should be included.

Several dates were suggested to avoid in scheduling hearings: April 14, the night before income tax returns are due; April 21, Earth Day; April 24, protest against the Viet Nam war. Rev. Dobson suggested that the submission of written testimony not be made a rigid rule, since it may preclude many citizens from testifying. The members concurred, but said that every effort should be made to avoid the lengthy reading of statements, and the repetition of testimony. Mrs. Weinstein pointed out that the New York State Commission on Education has changed its policy at hearings from listening to long documents being read to limiting the time for testimony, and asking more questions of those people testifying. She said that the change has been more effective, and emphasized that the hearings should try to impart information to the public through CCMG's questions.

Dr. Smoley asked if any consideration had been given to hearings in rural areas, and pointed out that CCMG might be attacked for not going to the Eastern Shore or Western Maryland. Rev. Dobson agreed that hearings on the Eastern Shore would be very important. Mr. Wills said that CCMG may find that public demand will necessitate going to Frederick and Salisbury.

Mr. Wills urged CCMG members to attend as many of the hearings as possible, and provide the support that is needed to make them successful and worthwhile.

Discussion and Highlighting of Staff Work Paper

Dr. Cresswell opened the discussion by pointing out that the paper was a work paper, still undergoing changes. Mrs. Weinstein asked the Executive Committee to study the paper in depth during the next month, and prepare questions, comments, and reactions to it.

Mrs. Weinstein began the review of the document, stating that the first section dealt with the objectives of the research. These objectives are a restatement, with further detail, of previous CCMG documents. The objectives for the funding plans (page 3) were pointed out. Mr. Wills commented that the first objective for the funding plans on page 3 -- Reduction of importance of local wealth as a determinant of educational opportunity -- would be difficult to sell because of the traditional local approach. He urged that a strong case be made for existing disparities, and their results, in order to break down the tendency of local districts to think in terms of getting back the same amount of dollars raised in revenue from their district.

Mrs. Weinstein replied that the research would demonstrate that a low level of school services was related to the level of resource allocations, and to the level of school achievement. This type of analysis would provide a base for the report to show the location and degree of existing disparities in education resources and allocations.

Dr. Smoley asked if the report actually intends to design in detail a Statewide structure for an information system. Dr. Cresswell and Mrs. Weinstein stated that the report would develop the basic structure, but would not attempt to design an operational system in all details.

Mr. Greenfeld said that the research was concentrating on finance within the existing division of county lines. He stated that an argument could be made for ignoring county boundaries to get at the same problems. He asked if this approach would be touched on in the report. Dr. Cresswell said that the major thrust of the research was within the present county-State system. Mrs. Weinstein said that one of the criteria for the funding plans was to use the existing structure wherever possible. Maryland already was in a good position in the structure of the education system, particularly in relation to other states. She pointed out that it may not be feasible or wise to drastically alter the present structure. Such a step might jeopardize the other recommendations.

Dr. Smoley asked if the research was ruling out some viable form of "metropolitanism" as an alternative to State funding. He commented that by not considering metropolitanism in the research, the case for State funding might be weakened. Mrs. Weinstein replied that the research was looking at possible areas of cooperation among districts, particularly among districts with low school populations. Mr. Wills commented that if the report did go into metropolitanism, it must be handled very carefully, because the concept and term trigger some very emotional and volatile reactions. Mr. Wills recalled that the regional approach was discussed by Mr. William L. Marbury at a meeting with the Greater Baltimore Committee, and that he, too, commented on the potential problems in such an approach.

Dr. Cresswell said that many of the suggestions now being considered in the research could work in a metropolitan situation as well as in the present system. The drawing of boundaries would not make a considerable difference. He also pointed out that in relation to other states, including Michigan, Maryland is operating under a metropolitan system presently. Dr. Smoley said that political boundaries would not necessarily have any effect in a full State-funded system.

Dr. Cresswell distributed several charts to illustrate some of the research and directions of inquiry in which he is engaged to develop a description and analysis of the present funding system in Maryland. In the discussion of the charts and graphs, several questions arose concerning the definitions of the terms "wealth" and "effort" in regard to State and local taxes and revenues. Mrs. Weinstein pointed out that the source of figures can create a difference in the definition of such terms. One department in the State may define wealth one way, depending on its purposes, while another department, concerned with different objectives, may define it a different way. Mr. Wills emphasized that figures and terms used in the research report must be clearly defined and explained. Dr. Cresswell pointed out that the charts under discussion were only indicative of the areas of investigation, and did not represent any sort of final analysis. Mrs. Sunderland asked the staff to prepare a glossary of terms for the Executive Committee. Mrs. Weinstein said that a descriptive analysis of such data and findings would be incorporated into the final report.

Mrs. Weinstein continued the review of the work paper with an outline of those areas for which alternatives to the present system would be developed: 1.) Funding formulas; 2.) Tax resources; 3.) Statewide information system. The research also will consider the structural changes necessary to assure local participation in policy and local goal development. Mrs. Weinstein stated that the report would develop the State's responsibilities in providing resources for the schools, for establishing specific academic performance goals Statewide, and for maintaining an information system. Part of the study would involve a network of transition steps, with time and cost tables, for making a change from the present system to an alternative system.

Mrs. Weinstein reported that four districts had been selected for intra-district analysis: Baltimore City, Baltimore County, Calvert County, and Montgomery County. Mr. Greenfield commented that efforts would be duplicated by using Baltimore County and Montgomery County, because they are very similar. He suggested using Prince George's County. Mr. Raymond agreed on the suggestion of Prince George's County. Mrs. Weinstein commented that the problems which exist in Prince George's County also exist in Baltimore County. She said that Baltimore County's growth leveled off about three years ago, and that Prince George's County is experiencing now what Baltimore County experienced five or six years ago. Mr. Greenfield commented that Prince George's County is fifteen years behind the City in development.

Rev. Dobson discussed the crisis now in Prince George's County. He stated that the racial problem in Prince George's County is different from that in Baltimore City or Baltimore County. Rev. Dobson recommended studying Prince George's County in regard to the question of race. Mrs. Weinstein replied that Prince George's County possibly could learn from the study of Baltimore City. She stated that if Baltimore County were studied, the research could consider the questions of the City-County relationships.

Mr. Raymond said that Montgomery County was too unique, with its wealth and homogeneous population, to be important or representative for the study. Dr. Cresswell replied that those points were some of the reasons why Montgomery County was chosen. He emphasized that it was very important to include the extremes in wealth and expenditure in the study.

Mrs. Sunderland stated that the central question was whether Prince George's County could be handled in the research, and if it could, whether the Commission could afford not to study it. Dr. Smoley said that the magnitude of the county's population and problems makes it different from Montgomery County, and that this difference was a very important dimension. Mr. Raymond said it could not be ignored.

Mrs. Sunderland and Dr. Cresswell stated that the study definitely would not ignore the problem race. The situation of black students in schools once predominantly white would be encountered in Baltimore City and Baltimore County. Rev. Dobson pointed out that in Prince George's County the exodus of the white population is being arrested, while the influx of blacks continues. Finally the point is reached where integration must be faced. He stated that this situation did not exist in the City, where the white exodus still exists, not in Baltimore County, where a small number of blacks have been contained in a small area. Dr. Smoley added that the inequities created by the problem of magnitude in Prince George's County is a significant problem for the research.

Mr. Raymond made a motion that Prince George's County be included in those counties being used for intra-district analysis. The motion was seconded by Mr. Greenfeld. Mrs. Sunderland asked that the staff investigate the situation in Prince George's County to see if any major problems would prevent using it in the research, and report back to the Commission if such problems were encountered. The motion was carried unanimously.

Mrs. Weinstein highlighted the sections of the work paper dealing with the criteria for the funding mechanisms, various incentives for obtaining desired results with the funding mechanisms, and the alternatives for assessment of effectiveness of the schools. Dr. Smoley expressed concern that the Commission's report be practical and implementable. He said that the points raised in regard to assessment needed further expansion and more detail. Dr. Cresswell said that the report would go far enough in its development of recommendations that the remaining questions to be asked would be exactly how the recommendations could be administratively operated. Dr. Smoley asked what criteria were being considered for assessment. He pointed out statewide regent tests as an example, and said that there were many problems involved in that approach. Mrs. Weinstein responded that statewide tests of that nature were being considered. She pointed out that many of the problems encountered in other states with regent-type tests were the result of losing sight of the purpose for testing. Mrs. Weinstein stated that the purpose of such testing was not to evaluate the individual child, but to assess the performance of a school. She discussed some of the topics brought out in a meeting she attended at the Educational Testing Service in Princeton, New Jersey, including the limitations of present tests, and some of the directions of new tests.

Mrs. Weinstein completed the highlighting of the paper with a brief review of the network being developed by Dr. George B. Kleindorfer, to project costs, time and steps necessary to make the transition from the present funding system to any alternative system. She pointed to the present debate over the school construction bill, and the role to be played by the Board of Public Works, as an example of what can happen when insufficient planning takes place. She stated that hopefully the development of the network for the Commission's study would help to avoid similar occurrences.

The meeting was adjourned at 5:50 p.m.

CITIZENS COMMISSION ON MARYLAND GOVERNMENT

EXECUTIVE COMMITTEE MEETING

JUNE 3, 1971

MINUTES

Following an announcement that George Wills, Chairman, would be delayed, Jan Riker, Executive Director, called the meeting to order. The Commission's guests were introduced: Dr. Paul Cooper, Director of the State Department of Fiscal Services, and member of the CCMG State-wide Advisory Committee; Dr. James W. Guthrie, Assistant Professor of Education, University of California, Berkeley, and member of the National Advisory Panel; Dr. Arthur E. Wise, Associate Dean, Graduate School of Education, University of Chicago, research consultant to CCMG, and member of the National Advisory Panel.

The following members of the Executive Committee were present: Mr. Samuel Banks; Mr. King Burnett; Rev. Vernon Dobson; Dr. Homer Favor; Mr. Martin Greenfeld; Mr. Joseph Hardiman; Mrs. Lois Macht; Mr. Marvin Miller; Mr. Heaton Nash; Miss Patricia Prime; Mrs. Charlotte Stanka, representing Sen. John Byrnes; Mrs. Pearson Sunderland, Jr., Vice-Chairman. Mr. Eugene Petty, Associate Executive Director of the Greater Baltimore Committee, also attended the meeting. Commission staff included Mrs. Shelly Weinstein, Project Coordinator, and Dr. Eugene Smoley, Jr., consultant to the Commission.

Mrs. Riker opened the discussion with a review of CCMG's public hearings in Annapolis (May 5), Baltimore City (May 12), and Hyattsville (May 19). Mrs. Riker listed the major issues brought out in the hearings as: 1.) Degree of State financial support for education; 2.) Maintenance of local control; 3.) Taxation for education, including the property tax, income tax, and the local surtax ("piggyback" tax); 4.) Definition and degree of equal educational opportunity; 5.) Accountability of the education system for performance, and alternative mechanisms, including the advantages and disadvantages of Statewide minimum standards; 6.) Teacher negotiations and salaries.

Generally the testimony supported an increased level of State financial support for education. Among the witnesses proposing State funding were: Baltimore City Council President, William Donald Schaefer; Mr. John Eddinger, representing Mayor Thomas D'Alesandro, III; Mr. Douglas Wendel, representing County Executive Joseph Alton; Mrs. Walter Bayne, representing County Executive Dale Anderson.

Supporters of the Hughes Commission recommendation for a 50-55% level of State support included: Sen. James Clark; Delegate Ann R. Hull; Dr. Homer Elseroad, Superintendent of Montgomery County Schools; Montgomery County Councilman Neal Potter; Mr. Fred K. Schoenbrodt, President of the Howard County Board of Education.

There was general support for a broader tax base for the funding of education, with particular emphasis on a greater use of the income tax, and reforms in the corporate tax and property tax. Most witnesses recommended a more equitable distribution of education funds. Dr. Elseroad suggested that the present equalization formula needs revision. Dr. John Carnochan, Superintendent of Schools in Frederick County, and Mr. Maurice Dunkle, Calvert County Superintendent of Schools, commented that the provision of equal educational opportunity may mean unequal amounts of money allocated per pupil.

The need to maintain local control was emphasized by most witnesses, and there was general agreement that some mechanisms for accountability and improved management of resources should be established. Dr. Sensenbaugh and Dr. Irving Herrick reported on the State's program for "management by objectives" at the State level, with Statewide education goals, objectives, and evaluation.

In his testimony Dr. Sensenbaugh suggested a Statewide teachers salary scale, with regional variables for economic factors. He recommended a 10-year phase-in period for such a program.

In the discussion of the public hearings, Mr. Banks pointed out that there was little or no mention by the witnesses of the use of vouchers. He suggested that the Commission look very carefully at the use of vouchers and performance contracting, and at the possible dangers in each.

Mrs. Weinstein said that one of the objectives of the hearings was to disseminate information to the witnesses and the public, as well as to receive information. She stated that judging from comments and reactions to the hearings from educators and others, the Commission was successful in this objective. Mrs. Weinstein said that the major disappointment of the hearings was the limited response from teachers, although repeated attempts had been made to obtain additional testimony.

Mrs. Weinstein commented that the testimony seemed to indicate that the affluent school systems did not want to share the bill for education for the poorer counties. Mr. Banks said that Senator Victor Crawford's comments indicated that he was prepared to support a superior education program for Montgomery County, but just an adequate program for the rest of the State.

Mr. Banks emphasized that citizens must be made aware of what the issues are. He said that the Commission must be prepared to determine what constitutes equity in financing in order to provide equal educational opportunity, and to develop the proper policies, formulas and mechanisms which will accomplish the goal.

Dr. Guthrie suggested that it will be necessary to assure the wealthier counties that their school programs will not suffer due to greater financial support for poorer districts.

Rev. Dobson stated that everyone was assuming that it is possible to obtain equality. He said that the system has never dealt with blacks equitably, and he did not believe the State is prepared to provide equal educational opportunity now. Therefore, he would oppose State funding as Senator Crawford does, but for different reasons.

Mr. Banks urged that no one be prepared to write off the urban centers. He pointed out that Philadelphia almost went bankrupt, and that similar major problems exist in Baltimore City. Mr. Banks said that citizens suffer from a paralysis of will and a sense of frustration.

Mrs. Macht asked if it is possible to determine, and set a per pupil amount of money for education. Dr. Cooper responded that it is possible to set a specific per pupil dollar figure, and to account for student variables by weighting pupils differently. He pointed out that in Maryland, however, the relatively large size of the districts levels out the pupil differences, so that weighting is not very significant. Dr. Cooper said that the one exception to this leveling out effect is the disadvantaged child. He further pointed out that the problem with writing set per pupil dollar amounts into law is that it does not adjust fast enough.

Mrs. Weinstein brought up the recent decision by Judge Skelly Wright regarding expenditures for education in Washington D.C. In his decision, he required the school system to provide equal dollars per pupil throughout the system in an attempt to obtain some equality of educational opportunity. Dr. Guthrie said that he would settle for equal per pupil expenditures as a short-run answer. Dr. Cooper agreed that momentary relief could be obtained by setting equal per pupil dollar allocations.

Mr. Burnett said that many people get very involved with the problem of local control when discussing financing. He suggested that the Commission deal with the question of control first, and solve that, before deciding the questions of financing. Dr. Guthrie suggested that the Commission work out a plan on paper of what decisions have to be made by the education system, and decide at what level they should be made. He felt this would clear up many concerns about local control.

Mr. Burnett said that he could not define local control, and that his impression was that witnesses at the public hearings could not, either. Mrs. Macht stated that she felt local control was a myth.

Her impression of the hearing which she attended was that local control was in the hands of the education professionals, and that everyone was angry about the arrangement. Dr. Guthrie said that this added another dimension to the question of control. Not only does it include the level at which decisions are made and actions take, but also who does the acting and deciding. Dr. Cooper agreed with Dr. Guthrie's suggestion that the Commission work out a plan for where controls should rest. He said that if the Commission followed the procedure of deciding the best levels to exercise certain controls, they may find that some controls are best left where they now reside.

Dr. Wise pointed out that in effect, there is very little local or state control now, apart from the issues of finance. He said that many of the really significant decisions are made on the national level. Citizens may have the feeling that they are making decisions locally, but in actuality they are not. He cited as examples the College Entrance Examination Board, teacher training, and the text book publishers. Mr. Wills commented that local control was still a powerful public issue, even if it is a myth.

Dr. Guthrie said that it would be more difficult for people to oppose State funding if the Commission could assure them that they will not lose local control, and that the quality of education will not decline. An added incentive to support State funding would be an option to raise local funds for local innovation up to 10% above the State's allocation.

Dr. Cooper pointed out that true equalization and State funding are really the same. He said the problem with equalization formulas is the demand by wealthier districts for a guaranteed minimum allocation from the State. Mr. Burnett said that the Commission must be ready to say that they will do away with the minimum guarantee, and that they are prepared to do what the wealthy districts do not want done.

Mr. Wills reviewed his memorandum sent to Executive Committee members, which contained an outline of the major policy issues, relationship of the research to the policy issues, and a tentative schedule for the Executive Committee. Mr. Wills emphasized the need for the Executive Committee to begin to deal with specific issues and to be prepared for the research as it comes in. He pointed out the Commission's goal of releasing the report in the fall, in ample time for consideration by the 1972 Legislature.

Dr. Smoley said that the objective of setting down the major policy issues in outline form was to provide some help to the Executive Committee in discussing the issues, since they are very complex. He outlined the major policy issues as: 1.) How should revenue be obtained for education; 2.) How should funds be distributed for education; 3.) What are the specifications of an appropriate system for managing resource use, and 4.) What is the process by which the policy recommendations can be implemented.

Mr. Wills discussed the importance of the profiles of the five selected school districts: Baltimore City, and Baltimore, Calvert, Montgomery and Prince George's Counties.

Dr. Cooper asked if CCMG was familiar with the work of the Governor's commission on taxation and finance. Mrs. Weinstein replied that several months ago their information and statistics were given to CCMG's research consultants. Dr. Cooper said that their final report and recommendations had just been recently released.

In the discussion of the Executive Committee's schedule and the work schedule of the research consultants, Dr. Guthrie suggested that the Commission should have before it definite policy proposals from Dr. Wise before making any policy decisions. Mr. Banks asked that the research staff suggest some very definite proposals to CCMG as soon as possible, so the Executive Committee could begin to decide which approaches seem more propitious. Mr. Wills stated that unless the Commission moves forward, it will be under serious time and political pressures, and will lose the momentum needed for the legislative process. He said the Commission should move along with the research in its deliberations, rather than waiting until all of the research is in its final form. Dr. Smoley suggested that the Commission members should begin, up to a certain point, to familiarize themselves with the issues, and begin preliminary discussions on policy.

Mr. Burnett said that in his opinion the only reason the Commission would not support full State funding is the local control issue. Therefore he felt the issue of local control should be dealt with first, and that the research information should be provided to the Commission in that order. Dr. Favor stated that local control is not the only reason to be in a quandry over State funding; the whole issue of need is a critical factor. He urged the Commission to look at the question of need and push the State in that direction.

Mr. Petty said he believed that the 1972 Legislative session is critically important to moving in education finance, and he emphasized the need for the Commission to have its proposals supported by the research and ready for the 1972 session. Dr. Cooper pointed out that any major program such as the Commission is talking about usually takes several years to get through the Legislature. Therefore he was not sure that any major decisions would be made by the 1972 Legislature.

- Dr. Guthrie emphasized again that the Commission should not try to reach any policy positions in absence of the proposals put before them by the staff. Mr. Wills pointed out the financial constraints on the Commission, and as a result, the time pressure.

He felt it would be extremely difficult for the Commission to wait until September to make any policy decisions, and then to try to make decisions and get a consensus in four to five weeks.

Dr. Wise explained that research will not tell the Commission what to do; it will be able to illuminate a problem which exists. He said his function was not to do research in that sense. He will examine the issues conceptually and lay out some proposals for policy discussions by the Commission. As an example, he pointed out that there are many definitions of equal educational opportunity. He will explore those various approaches for CCMG. Dr. Wise said there are many alternatives to distributing funds, and the Commission should be aware of the alternatives open to it.

Mrs. Sunderland pointed out that there are many issues in taxation which CCMG should be considering. She mentioned the property tax and its impact on senior citizens living under fixed incomes. Mrs. Sunderland discussed the fact that all over the country the older citizens have been turning down school bond issues. Rev. Dobson emphasized that the Commission has the responsibility to tell people the consequences of their actions.

Mr. Banks again stated that the Executive Committee should be moving toward some kind of policy configuration. He said that although the research work is needed by CCMG, the Commission members must bear the responsibility for determining policy.

Mrs. Weinstein reported to the Commission on some of the research progress. As of the meeting, all data had been collected by Dr. Cresswell for Baltimore City, and Baltimore and Calvert Counties. Data collection in the other two counties would be completed shortly. Dr. Kleindorfer is working on a model for enrollment projections, capital costs and operating costs. He is also developing a model to determine capital needs for public school construction. Mrs. Weinstein reported that she had met with Dr. Paul Weinstein, a leading economist in Maryland, to get some information on cost of living factors for a Statewide teachers salary scale.

Mrs. Weinstein discussed the experiences of the Province of New Brunswick, Canada, in the funding of education. She said that their experiences supported the original recommendations of the Advisory Commission on Intergovernmental Relations: 1.) State assumption of financing schools; 2.) Equalized provision of educational services; 3.) Room for local decision-making. However, the New Brunswick experience indicated that considerably more funds than anticipated were necessary. Therefore, they found they had to use a uniform property tax in addition to other taxes. As a result, ACIR changed its recommendations to include limited and temporary use of a statewide uniform property tax for education.

Both Minnesota and Michigan have proposals before them for state financing of education. Michigan proposes an increased income tax, a value-added tax on manufacturing goods, and the use of no property tax for education. Minnesota, on the other hand, proposes a statewide uniform property tax, which in two years would finance 30% of operating costs of education. Local districts would continue to finance construction with the property tax.

The significance of Judge Skelly Wright's decision regarding equal educational opportunity in Washington, D.C. was discussed by Mrs. Weinstein. In 1967, Judge Wright found that the D.C. Board of Education was unconstitutionally depriving poor and black children of their right to equal educational opportunity. The court found an inequitable distribution of resources: buildings, books, teachers, per pupil expenditures, etc. The court ordered the Board to abolish the track system and optional attendance zones and to integrate school faculties. At that time Judge Wright deferred further action on per pupil expenditures.

In 1971, the court found that its rulings in 1967 were not followed, and that great differences in per pupil expenditures still existed within the District. Judge Wright's decision stated that these differences "make out a compelling prima facie case that the District of Columbia school system discriminates along racial and socio-economic lines." Judge Wright requires that by October 1, 1971, per pupil expenditures from city funds for all teachers and benefits in each elementary school not deviate by more than 5% from the mean at all elementary schools. Specifics of how to accomplish this are left up to the school board.

Following a dinner break, Mr. Wills called for a discussion of the staff work paper distributed to the Executive Committee in March.

Mr. Banks expressed three major concerns to which he felt the Commission should address itself: 1) What criteria will be utilized in terms of determining unacceptable inequities? 2.) What mechanism can best be structured to distribute funds on an equitable basis? 3.) What primary or tertiary powers will reside with local school boards if the State assumes 100% financing? Mr. Banks also asked for further clarification of the concept of accountability in the staff paper, and for the Statewide advisory review board discussed in the paper. Mr. Banks again urged that the Commission not delay in dealing with these and other questions of policy.

In response to Mr. Banks' questions, Dr. Wise responded that no inequities are acceptable. He said that there have been a number of court tests on the proposition that inequality of educational opportunity is unconstitutional. All have been unsuccessful. However, Dr. Wise said that a current case in California looks promising. If successful, he pointed out these will be no choice for Maryland or any other state.

Also, continued Dr. Wise, education is a state responsibility by law. Local control exists at the whim of state legislatures. They have delegated some of their authority to local districts. Now, however, the states are trying to re-exert some of their authority. He stated that all funds for education are really state funds. Dr. Wise pointed out that presently every state distributed money for education in direct proportion to socio-economic status -- the higher the socio-economic status, the more money a district gets. This happens because funding is based primarily on the property tax.

Dr. Wise said to achieve equal educational opportunity funds should be allocated inversely proportional to socio-economic status, or on the basis of equal dollars per pupil. He stated that one approach might be one Judge Wright used: equal dollars per pupil, with the exception of compensatory education. Another approach might be to use outputs: a school finance plan that said, in part, that no child shall leave school as a functional illiterate. This would be an output measure of equal educational opportunity.

Dr. Guthrie suggested that at some point the Commission would have to decide what range of disparities in funding it would tolerate. He said this question should not be decided at the present meeting, but that it would have to be dealt with.

Mrs. Macht asked if the study should attempt to define a basic program and determine its cost. Dr. Wise said that this was the approach that has been taken for at least 70 years.

Mr. Burnett cautioned against cutting off incentives for improving programs. Dr. Guthrie said that one funding possibility which attempted to provide for local incentive was the district power equalizing approach. Dr. Cooper stated that if the Commission is willing to equalize excess effort, it may be defeating itself. Dr. Guthrie commented that an acceptable alternative may be to provide everyone with equal opportunity to improve and to raise higher taxes.

Mr. Miller said that it would be politically unreasonable to ask a district to take away what they are already doing in education. Mrs. Stanka suggested that the Commission not compromise itself now, that it develop the best possible proposals and be prepared to compromise in Annapolis. Mr. Miller said that CCMG should never compromise in stating that there are inequities and in putting the onus on the State Legislature. At the same time, however, the proposal should not penalize a good education system. Mr. Miller stated that an enormous tax increase will be necessary.

Rev. Dobson commented that the study will reveal the present inequalities in education. He said that in talking about ways for implementing a proposal, however, the original idea is being destroyed. He urged that the Commission keep at the center of all it is doing the people involved.

Mr. Burnett stated that the question of control is not included in the first four pages of the staff paper's discussion of objectives for the study. He pointed out that the Commission is talking about the best way to have an educational system for children. He said that the system must allow for differences in programs for children and for the process of innovation. Mr. Nash agreed that the Commission must face the issue of local control. He suggested that the report contain a section which defines local control as it is now, what it means, etc. Mr. Petty commented that what is being suggested is that the study destroy some of the myths of local control. Dr. Guthrie suggested that a chart which illustrated what decisions are now made locally, and what could be done under alternative finance schemes be included in the report.

Mr. Nash further suggested that the report contain a vivid word picture of the education experiences of a third grade child in different schools, and in different subdivisions, to clearly illustrate the inequalities.

Mr. Miller asked if some consideration should be given to the basic inequality of pre-school education. He pointed to the inequality of pre-school programs available in different areas. Dr. Guthrie stated that if an output measure is what is being considered in equal educational opportunity, then the school system must make up the differences with which children enter school.

Mr. Banks asked if the Commission should not look at the racial aspects. He stated that racial groups have been sequestered from the mainstream, and that there is too much discussion in terms of the Montgomery County syndrome. He said that Montgomery County represents a creation of the State, and is using the State's money. Mr. Banks emphasized that either citizens must commit themselves to equitability or the State should go out of the business of public education.

Mrs. Weinstein stated that the discussion had left out the word quality. She said that if the Commission is talking about State responsibility, and if the school should reflect diversity, then the Commission should consider cases dealing with integration of faculties. Mrs. Weinstein pointed out that the Civil Rights Commission showed that through zoning and districting of schools, local subdivisions were using Federal and State money to discriminate. Mrs. Weinstein asked if in its report the Commission should not suggest that this kind of containment, which would be maintained in the State's new construction bill, is unacceptable. She stated that in terms of

quality, the question of integration had not been approached in the staff paper or the study.

Dr. Guthrie pointed out that it is possible to write into school finance formulas incentives for integration. Dr. Cooper stated that now the local governments pay for school sites, but the State must approve the site. Mrs. Stanka commented that what was being discussed was State control -- that to fulfill certain objectives, the State has to move in and exercise control. Mrs. Sunderland said that there seemed to be agreement that CCMG can address the question of the State's function in site location approval.

Dr. Favor said that the State should establish standards to deal with substantive matters. He said that ultimately the Commission's work should make it possible for a child to rely upon the State to assure that he can fulfill his potential.

Wills Sees Political Peril In School-Survey Call

By Kay Mills

Since January, the Wills Commission on Maryland Government has been studying the need for state-financed, locally-controlled public education, a setup that Mayor D'Alesandro advocated last week.

Now George S. Wills, commission chairman, is worried that the state superintendent's call this week for the Governor to

appoint a panel to study the question may throw the issue into the political arena.

"There is a danger this could be turned into a political football by the state's making an equivocal response to the Mayor's request," Mr. Wills said.

With key elections coming up next year, Mr. Wills is afraid the state officials might try to tuck

a controversial issue out of sight until after the voting.

Years when change could be occurring are lost that way, he added.

That delay would "leave Mr. D'Alesandro standing alone out front," Mr. Wills said, inciting that there is more to the problem than the cry for help from a mayor facing a financial crisis.

"This cannot be allowed to become a question of Baltimore city against the other 23 subdivisions in the state," the commission chairman added.

Should Draw Support

"It should draw the support of Mr. Alton and Mr. Anderson and Mr. Jones in Howard county and the people in Montgomery and Prince Georges counties," he said, "because the problem is going to hit them, too."

He was referring to the county executives in Anne Arundel and Baltimore counties, where he said this spring's budget hassles were only symptomatic of the lack of commitment on the part of the public and government throughout the state "to really go at this education problem"

"The problem," as Mr. Wills defines it, is that for local subdivisions, the property tax is "just about burnt out" as a source of revenue and other means must be found to pay for schools.

80 Per Cent For Schools

Counties are paying as much as 80 per cent of their budgets for schools, he added, and they obviously can't go much further.

Education must be seen as a statewide problem so that children in each area will truly have an equal chance for schooling, Mrs. Paul Weinstein, who has done much of the research for the commission's preliminary study, said.

Schools simply have not been effective under the present system, he said, citing these statistics from Mrs. Weinstein's study:

"In 1966, 55 per cent of our high school graduates did not go on to any kind of additional schooling . . .

"In 1965, we ranked 37th in the nation with the rate of 33.2 per cent of our boys failing on Selective Service mental qualifying exams. The national average was 29.9 per cent . . .

"Twenty-five per cent of all our pupils drop out of Maryland schools and an estimated 40 per cent for all Negro pupils."

Fourth In Income

These statistics, Mrs. Weinstein reported, contrasted with a ranking of fourth in the country in percentage of households with incomes of \$10,000 or more in 1965.

Maryland was 40th that same year in spending for schools as per cent of personal income. Maryland's state and local governments, she added, ranked 9th in the country in spending for police protection but 23d for direct spending on education.

With these statistics in mind, the commission hopes to interest a private foundation in backing an independent study of the entire question, an investigation which might take a year or slightly longer.

Board Appointments

Mr. Wills is fairly sure one recommendation coming from that study will be removing appointment of local school boards from the Governor's hands.

Maryland is the only state where this procedure is followed although the Mayor appoints the Baltimore board and Montgomery county elects its own.

With more direct influence on the board of education, Mr. Wills and Mrs. Weinstein see the chance for more local control of education, rather than less as some fear.